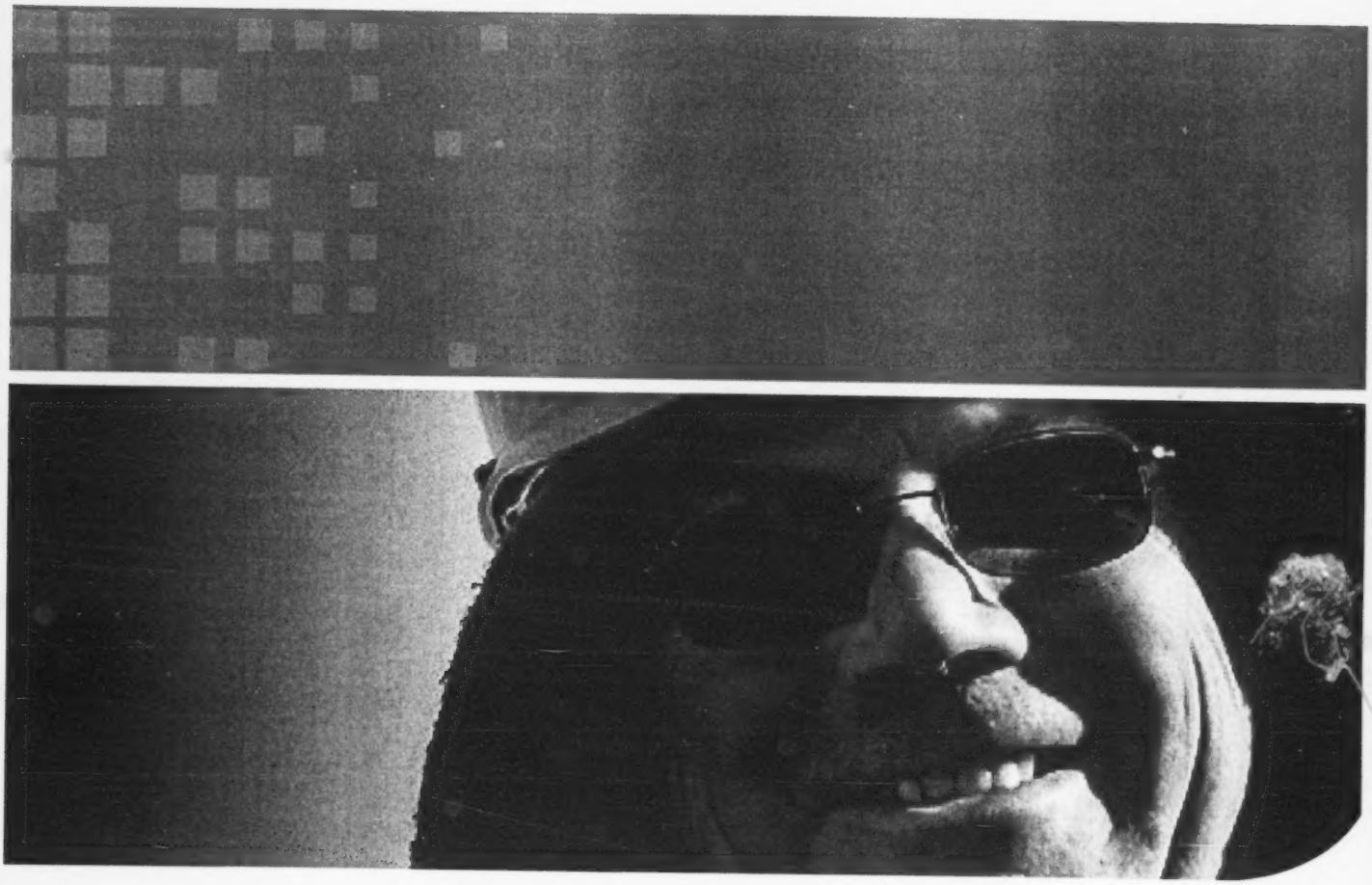


WSCC Workers' Safety & Compensation Commission | ᐃᖃᓗᐊᔪᖅᑎᑐᓂᒃ ᐊᑕᐅᓯᖅᑐᓂᒃ ᐊᒻᒪᒪ ᓇᓕᓕᐅᔪᓂᒃ ᖃᐅᔨᓴᖅᑎᑦ

2009 ANNUAL REPORT

WSCC Yellowknife
Centre Square Tower
5th Floor
5022 49 Street
Box 8888
Yellowknife, NT X1A 2R3

Tel: (867) 920-3888
Fax: (867) 873-4596
Toll Free: 1-800-661-0792
Toll Free Fax: 1-866-277-3677

WSCC Iqaluit
Baron Building/1091
Box 669
Iqaluit, NU X0A 0H0

Tel: (867) 979-8500
Fax: (867) 979-8501
Toll Free: 1-877-404-4407
Toll Free Fax: 1-866-979-8501

WSCC Inuvik
Mack Travel Building
3rd Floor
151 Mackenzie Road
Box 1188
Inuvik, NT X0E 0T0

Tel: (867) 678-2301
Fax: (867) 678-2302

WSCC Rankin Inlet
Oomilik Building
Box 368
Rankin Inlet, NU X0C 0G0

Tel: (867) 645-5600
Fax: (867) 645-5601
Toll Free: 1-877-404-8878

Prevention Services
Industrial Safety: (867) 669-4418
Mine Safety: (867) 669-4412

Claims Services
Northwest Territories: (867) 920-3801
Nunavut: (867) 979-8511

www.wscc.nt.ca www.wscc.nu.ca www.dontbeanumber.ca

Table of Contents

2 Letter of Transmittal

3 Report to Stakeholders

- 5 Message from the President
- 6 Mission, Vision, and Values
- 7 Governance Council
- 8 Corporate Overview
- 11 Year at a Glance (KSMs)
- 12 2009 Review & Results
  - 12 Stakeholder Focus
  - 14 Organizational Excellence
  - 15 Effective Governance
  - 17 Financial Sustainability

19 Financial Statements

- 20 Management's Responsibility
- 21 Actuarial Opinion
- 22 Auditor's Report
- 23 Notes to the Financial Statements

External Reports

- 51 Office of the Workers' Advisor
- 53 Workers' Compensation Appeals Tribunal

Letter of Transmittal

The Honourable George L. Tuccaro
Commissioner of the Northwest Territories

The Honourable Ann M. Hanson
Commissioner of Nunavut

The Honourable Robert C. McLeod
Northwest Territories Minister Responsible for the Workers' Safety and Compensation Commission

The Honourable Tagak Curley
Nunavut Minister Responsible for the Workers' Safety and Compensation Commission

In accordance with Subsection 96 of the Northwest Territories and Nunavut *Workers' Compensation Acts*, it is my pleasure to present the Workers' Safety and Compensation Commission Annual Report for the year ending December 31, 2009.

The 2009 Annual Report includes both audited financial statements and summary of past year activities and progress towards achieving our goals.

Accompanying the financial statements is an actuarial opinion as to the reasonableness of future pension and future claims liabilities and the adequacy of contingency reserve.

As an organization, we are committed to openness and transparency, and I congratulate the Governance Council, staff, and management of the Workers' Safety and Compensation Commission on their continued dedication and hard work in 2009.

William Aho
Chairperson

REPORT TO STAKEHOLDERS

WSCC Workers' Safety & Compensation Commission | ᐃᖃᓗᐃᔪᖅᑎᑦ ᐊᑕᐊᓯᖅᑐᓂᒃ ᑲᑎᒪᔨᖅᑐᓂᒃ ᑭᒡᓕᕆᔨᒃᑯᑦ ᖃᐅᔨᓴᖅᑎᑦ

CBC
Canada

Message from the President

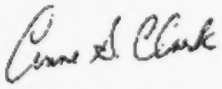
In 2009, the Workers' Safety and Compensation Commission (WSCC) returned to a three-year Corporate Plan. The 2009 – 2011 Corporate Plan outlines the Governance Council's strategic direction and Administration's plans to achieve the goals and objectives, and attain our vision to be *recognized as a caring, efficient, and service-focused organization and a model and trusted partner in workplace safety.*

I am proud to say that in 2009, the common thread that linked each of our goals, initiatives, and planned activities was a continued commitment to service excellence. Through this commitment, we worked to improve programs and services to meet the needs of our customers.

Always a critical focus for the WSCC, incident prevention and safety awareness initiatives continued in 2009. We worked with our partners to promote a safety culture where workplace injuries and incidents are eliminated.

In 2010, we will continue to focus our service efforts on safety and care. Building on the strategic foundation set in 2009, our organization will concentrate our efforts on meeting the needs of stakeholders. This is our promise to you.

I am proud to present the 2009 Annual Report. I look forward to continue to work with northern employers and workers; together we will build safe workplaces across the North.



Anne S. Clark
President and CEO

PHOTO: BYRON CLARK

Mission

Promote workplace safety and care for injured workers.

Vision

To be recognized as a caring, efficient, and service-focused organization and a model and trusted partner in workplace safety.

Values

Concern for People

- We demonstrate care and compassion in responding to our clients' needs and to the communities we serve.
- When working with our clients, partners, other stakeholders, and each other, we do so with honesty, fairness, respect, sensitivity, and timeliness, proactively and consistently.

Collaboration & Engagement

- We work with our partners to achieve mutually beneficial outcomes.

Integrity

- We honour the commitments we make to our clients, our partners, other stakeholders, and each other.
- We lead the adoption of and model the workplace safety standards that we promote with employers and workers.

Transparency & Openness

- We will be clear to our clients about how decisions are made and the reasons for those decisions.

Governance Council

A seven-person Governance Council, representing the interests of labour, industry, and the public sector, governs the WSCC.

Operating in a manner consistent with the *Workers' Compensation Acts* and corporate governance directives, the Governance Council's responsibility is to oversee the conduct of business and management, while maintaining the credibility and vitality of the WSCC.

William Aho
Chairperson

Lynda Gunn
Nunavut Public Interest

Fred Koe
Northwest Territories Public Interest

John Vander Velde
Nunavut Labour

Ben McDonald
Northwest Territories Labour

Karin McDonald
Northwest Territories Employer

Doug Witty
Northwest Territories Employer

The Governance Council directs and monitors the following areas of accountability:

- strategic direction;
- oversight and operating policies;
- CEO succession planning;
- financial oversight and stewardship;
- corporate performance management;
- risk management;
- material transactions;
- communications; and
- governance oversight.

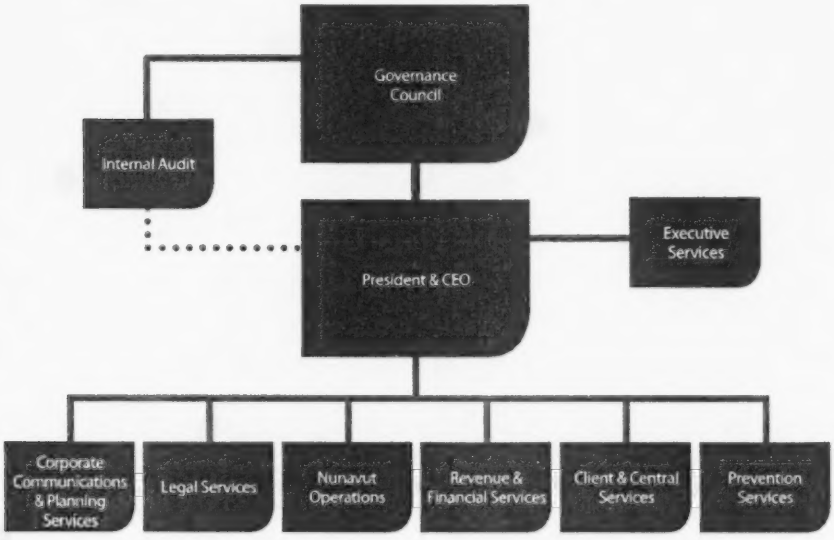
Exercising authority delegated by the Governance Council, the President and CEO is accountable for the WSCC's performance, including the achievement of results through established corporate objectives.

Corporate Overview

The WSCC administers the *Workers' Compensation Acts*, the *Safety Acts*, the *Mine Health and Safety Acts*, the *Explosives Use Acts*, and associated regulations to protect and care for workers in the Northwest Territories and Nunavut. The WSCC assesses employers, sets assessment rates, collects revenues, pays compensation to injured workers, provides rehabilitation and medical aid, as well as promotes safety awareness and safe work practices in northern workplaces.

Workers' Safety and Compensation Commission

Person Years: Yellowknife: 99, Inuvik: 1, Iqaluit: 20, Rankin Inlet: 1



Prevention Services

Prevention Services houses the Industrial and Mine Safety Units. Together they make up one of the Commission's key service areas – ***safety***. They deliver safety education courses, monitor mine rescue programs, promote safety standards and regulations, identify and target unsafe work conditions, provide guidance and share best practices, and conduct safety inspections and incident investigations. WSCC Safety Officers are industry professionals and have a wealth of hands-on knowledge and experience to share with northern workers and employers.

Client and Central Services

Comprised of Human Resources, Claims Services, and Medical Services, each unit contributes to the success of one of the Commission's key service areas – ***care***. Human Resources is responsible for facilities and the WSCC's safety program, in addition to recruitment, training, and performance management.

Claims Services works directly with injured workers, assists them throughout the claims process, and provides return-to-work support to them and their employers, in addition to paying benefits. Medical Services works closely with injured workers to help them get back to work as soon as medically possible, and as safely as possible.

Revenue and Financial Services

Each unit plays an important role to maintain the Commission's financial sustainability. Employer Services works with employers to ensure the accurate classification of employer businesses and the assessment of employer contributions to the Workers' Protection Fund. Treasury and Procurement manages contracts, purchasing, and risk management, and monitors the Commission's investments. Finance monitors internal financial systems and controls, which include banking systems and budgets.

Nunavut Operations

Nunavut Operations is a full-service branch of the WSCC. Claims, Employer, and Prevention Services staff are positioned in Iqaluit to provide quality care and service for stakeholders in Nunavut.

Legal Services

The General Counsel is the WSCC's senior legal officer, and manages the Legal Counsel and the Investigations Coordinator. Legal Counsel provides the Commission with a full range of services from legal opinions to third party actions. The Investigations Coordinator protects the integrity of the Workers' Protection Fund by targeting abuses of the system with innovative prevention techniques and appropriate detection methods.

Corporate Communications and Planning Services (CCPS)

Delivering open and transparent communication to internal and external clients is CCPS's main priority. Information Services maintains the Commission's information technology, and their work supports overall service delivery. Policy manages the Comprehensive Policy Review Plan, and the Review Committee provides the first level of appeal in the appeals process. Planning Services assists the Commission with strategic planning processes and research initiatives, as well as produces corporate publications and reports. Communications develops marketing materials, promotes WSCC initiatives, and creates incident prevention and safety awareness campaigns.

Year at a Glance

Territorial Demographics *(Source: Statistics Canada):*	NWT	Nunavut	Total
Population	43244	32435	75679
Number employed	26886	10241	37127
Average weekly earnings	$1,520.16	$867.85	$1,340.49
Limited to the 10 largest communities in Nunavut (about 70% of the working-age population)			

Claimants:	2007	2008	2009
Number of claims reported	3512	3706	3387
Number of claims established	2977	3136	2808
Number of lost time compensated claims	927	936	819
Number of work related fatalities	9	5	3
Number of new pensions	95	114	100
Average composite duration of time loss claims	39 Days	39 Days	41 Days

Employers:	2007	2008	2009
Total number of assessable employers	3736	3625	4032
Number of industry classes	8	8	8
Number of rate groups	25	25	24
Number of employers requesting additional optional coverage	623	605	517

Lost Time Injury Rate:	2007	2008	2009
Lost time injury frequency	2.73	2.55	2.17
The lost time injury frequency (LTI) is defined as the number of lost time compensated injuries per 100 workers.			

Financial Indicators:	2007	2008	2009
Maximum annual insurable earnings (YMIR)	$69,200	$70,600	$72,100
Assessable payroll (in millions)	$2,036	$2,159	$2,069
Average provisional undiscounted assessment rate per $100 assessable payroll	$1.71	$1.71	$1.71
Actual average assessment rate per $100 assessable payroll	$1.76	$1.80	$1.56
Percentage funded	124%	108%	106%

2009 Review & Results

Stakeholder Focus

Foster healthy and safe workplaces in the Northwest Territories and Nunavut.

Goals:

- Reduce workplace injuries and occupational disease through an injury prevention culture.
- Develop partnerships in safety, prevention, and return-to-work.

The WSCC believes that with the right tools, training, and a strong commitment to safety and prevention, we will prevent workplace injuries, illnesses, and fatalities. Over the last year, the WSCC worked closely with northern workers and employers to provide the support to create and maintain a safety culture.

In 2009 the WSCC:

- offered free safety training to workers and employers;
- promoted safety programs and awareness campaigns;
- worked closely with workers and employers to create safety partnerships; and
- focused on return-to-work.

To improve safety education initiatives and reinforce the importance of safe work practices, the WSCC increased safety education opportunities. In total, the WSCC delivered 100 safety education courses to 1084 participants across the Northwest Territories and Nunavut in 2009. The Commission continues to look for ways to increase safety education opportunities.

As part of the commitment to safety education, the WSCC introduced *Go Safe: Work Smart*. Entirely revamped, this program replaces the *Safety and the Young Worker* program. It teaches both new and young workers about their rights and responsibilities in the workplace. *Go Safe: Work Smart* is one of the safety education courses the WSCC delivers; however, because of its flexibility, northern workplaces can also adopt this program and customize it to meet their needs.

On average, young workers represent 17% of established WSCC claims. In the spring of 2008, efforts to bring awareness to this issue began. 2009 saw the launch of the *Don't be a Number* campaign. This campaign included the development of four TV commercials, a website, a contest, and marketing tools and promotion. The two English version commercials featured the stories of two northern young workers who suffered workplace injuries. The Inuktitut versions featured a young worker and positive role model in Nunavut. These commercials shared the importance of workplace safety and knowing your rights. The *Don't be a Number* website is a resource for young workers. It explains their rights and responsibilities, shares injury statistics, and provides tools to help them on the job.

Under the Safe Advantage Program, the WSCC identified 117 employers for the 2008/2009 reporting cycle. Of the 117 employers, 51 received refunds, 20 received penalties, 21 were neutral, and 25 forfeited their refunds. Through Safe Advantage, the WSCC continues to work with employers to maintain excellent levels of safety and care for workers.

After consultation with Safe Advantage companies in 2008, the WSCC made return-to-work a priority. The Commission worked diligently to provide employers with resources needed to ensure injured workers can return-to-work safely, as soon as possible. In 2009, the WSCC shared this new resource, the Return-to-Work Toolkit, with northern employers and workers. The toolkit guides employers and workers through the return-to-work process, and helps employers develop a personalized return-to-work program.

Partnerships allow the WSCC to expand the reach of its safety message and support the most important partners in injury prevention: you, our stakeholders. Two of these partnerships include the Northern Construction Safety Association (NCSA) and the Northern Territories Federation of Labour (NTFL).

In 2007, the WSCC partnered with the NCSA to develop and operate a northern safety association. Since then, the NCSA developed and delivered safety training courses based on the Certificate of Recognition (COR) program. COR is a nationally recognized program, specifically designed to help employers in the construction industry improve their safety cultures.

The NTFL began working with the WSCC in 2007, starting the ground work to develop training to deliver in the Northwest Territories. In 2009, the NTFL began delivering a three-step return-to-work training program in Yellowknife. The program steps include an introduction to workers' compensation, an introduction to return-to-work, and the development of a formal return-to-work program.

The WSCC works with both the NCSA and NTFL to achieve its mission of being a model and trusted partner in workplace safety.

Organizational Excellence

Maintain an efficient and adaptive organization, and improve the accountability of the services we deliver.

Goals:

- Deliver timely, professional, and client-focused services.
- Develop modern, effective, and comprehensive legislation and related policies.
- Attract, retain, develop, and engage a skilled workforce.

The WSCC maintained its commitment to service excellence. To deliver service excellence, it is important that WSCC services, staff, policies, and programs reflect the needs of stakeholders.

In 2009 the WSCC:

- introduced a succession planning program;
- provided customer service training to staff;
- delivered timely service to stakeholders; and
- consulted stakeholders on policy development.

To cultivate employee potential and provide ongoing growth and development, the WSCC introduced its Succession Planning Program in 2009. The program's goals are to ensure there is a pool of qualified candidates to fill key positions and to maintain and enhance corporate knowledge. In 2009, six employees enrolled in the program, with a focus on management, leadership, and safety.

In the summer of 2009, the WSCC operations reorganized to strategically align its service areas. The reorganization created additional manager positions that provide future succession planning and developmental opportunities. Customers will not recognize changes to their compensation processes; however, these changes improve communication and service delivery overall.

To provide quality customer services is a top priority for the WSCC. To meet customer service standards, the Commission made Customer Service and Plain Language training mandatory for all employees. These training courses ensure WSCC employees have the necessary skills to compassionately and clearly communicate with stakeholders.

Each year, the Governance Council sets the target for time to first payment. Although this measure only represents a fraction of WSCC services, it reflects the commitment to timely client-focused service. With the target met, 90% of injured workers received their first compensation payments within 25 days from the date of registration.

Effective Governance

Provide efficient, accountable leadership and governance that represents the interests of the northern workforce.

Goals:

- Meet transparency requirements and raise public confidence.
- Educate, engage, and communicate with stakeholders.

The WSCC is accountable to its stakeholders. Being open and transparent is the best strategy to represent the interests of the northern workforce. Through corporate reporting, consultation, satisfaction surveys, and strategic planning initiatives, the Commission communicates and connects with stakeholders.

In 2009 the WSCC:

- conducted a stakeholder satisfaction study;
- completed the 2009 internal audit plan;
- initiated the website redesign project; and
- reported on WSCC activities and operations.

In 2009, the WSCC conducted focus group consultations and telephone surveys. This exercise reinforces the Commission's commitment to communicate with stakeholders. The focus groups asked participants about their awareness and attitude toward the WSCC's services and initiatives. The telephone surveys spoke directly to clients and asked injured workers and employers about their satisfaction with the Commission's services. Overall results were positive, and stakeholder satisfaction with services increased compared to 2005 results. Survey and focus group results also identified areas for improvement. The WSCC considers this a priority for 2010 and 2011 planning to address stakeholders' feedback.

Internal Audit develops an annual three-year plan for the Governance Council's approval, and provides status reports each September. The 2009 Audit Plan included a Review of Information Systems Profiles, Follow-up Audit on 2007 Contracting and Purchasing, and the Overtime Audit.

Internal Audit found corrective management action in progress for all seventy-five recommendations. Although there was progress in putting recommendations in place, the Commission notes it still has much work to do. It resolved 41 of the 75 weaknesses identified. Overall, Internal Audit was pleased with the action taken by Senior Managers to implement the recommendations made on prior Internal Audit reports.

The WSCC values open and transparent communication. To demonstrate this value, the WSCC initiated a project to redesign its website. Employees from across the organization worked with Information Services and Communications teams to rewrite and restructure the website to meet stakeholders' needs. As part of this project, the WSCC included a website component in the stakeholder satisfaction study to better evaluate current satisfaction with, and use of, the website. Results show methods of access changed since 2005 and website use increased significantly for both injured workers and employers. These results provide the WSCC with a unique opportunity to further improve online communications.

Financial Sustainability

Meet the needs of workers and employers without compromising WSCC financial sustainability.

Our goals:

- Maintain accountability for revenues and expenses through proper stewardship of the Workers' Protection Fund.
- Provide fair and affordable benefits.

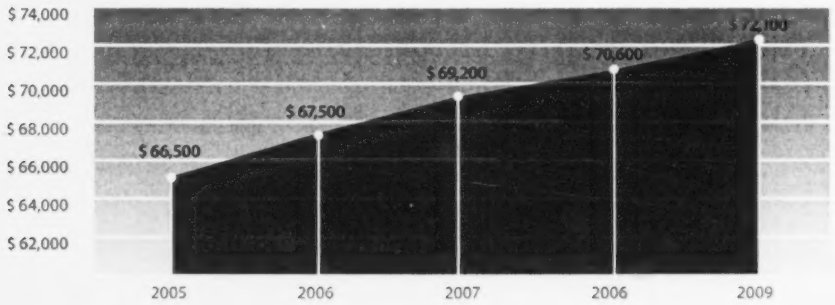
Funded through employer assessment premiums and investment returns, the WSCC carefully budgets and monitors expenditures to ensure prudent use of resources. This allows the Commission to provide benefits and services to stakeholders now and in the future.

In 2009 the WSCC:

- monitored investments;
- began implementation of International Financial Reporting Standards (IFRS); and
- investigated fraud.

The WSCC calculates benefits using the worker's actual annual income up to a maximum, called the Year's Maximum Insurable Remuneration (YMIR). In 2009, the YMIR increased to $72,100 from $70,600 in 2008. This covers 74% of claimants, which meets the Commission's target for full compensation replacement for 70-80% of the northern workforce.

Year's Maximum Insurable Remuneration
Northwest Territories and Nunavut 2005-2009

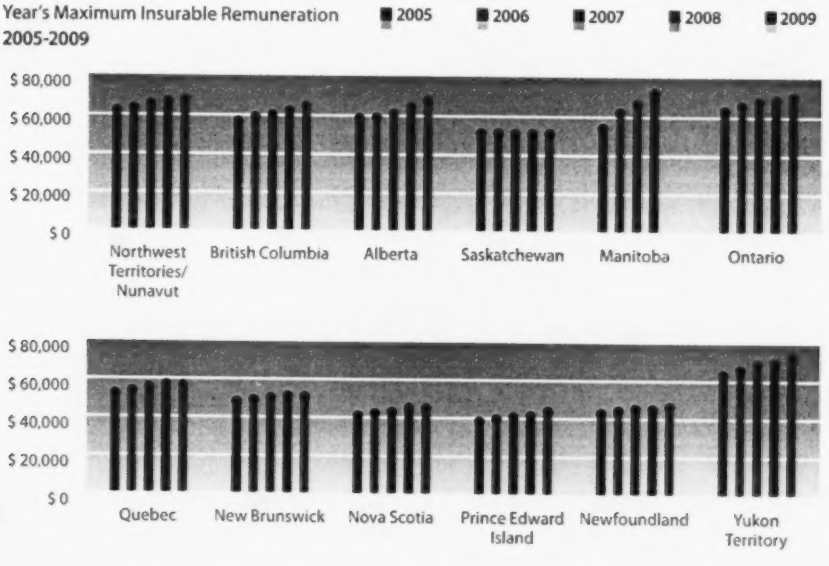


In 2009, the WSCC also met its target of no increase to the average provisional assessment rate. The average provisional assessment rate remained at $1.71 per $100 of assessable payroll.

The WSCC is required to report its financial statements using International Financial Reporting Standards (IFRS) by 2011. These standards will help simplify accounting and reporting, and make the financial statements easier to understand. Over the last year, WSCC employees began IFRS implementation. To date, the Commission completed phase one and phase two – the diagnostic outline, and design and planning stages. Implementation continues in 2010.

The WSCC actively guards against abuses and offences committed on the Workers' Protection Fund through prevention and investigations. In 2009, development of a new fraud and investigations strategy began.

Year's Maximum Insurable Remuneration 2005-2009



FINANCIAL STATEMENTS DECEMBER 31, 2009

WSCC Workers' Safety & Compensation Commission | ᐃᓕᓴᕐᓂᐊᕐᓂᖅ ᐊᑕᐅᓯᕆᔨᓂᖅ ᐃᓕᓐᓂᐊᖅᑐᑦ ᑲᑎᒪᔨᖅᑎᑦ

Management's Responsibility for Financial Reporting

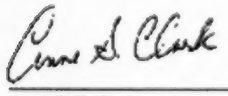
The accompanying financial statements of the Workers' Safety and Compensation Commission of the Northwest Territories and Nunavut, and all information in this annual report, are the responsibility of the Commission's management and were reviewed and approved by the Governance Council. The financial statements were prepared in accordance with Canadian generally accepted accounting principles and include some amounts, such as the benefits liability, that are necessarily based on management's best estimates and judgment. Financial information contained elsewhere in the annual report is consistent with that contained in the financial statements.

In discharging its responsibilities for the integrity and fairness of the financial statements, management maintains financial and management control systems and practices designed to provide reasonable assurance that transactions are authorized and in accordance with the specified legislation, assets are safeguarded, and proper records are maintained.

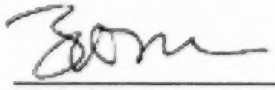
The Governance Council is responsible to ensure management fulfills its responsibilities for financial reporting and internal control. The Governance Council exercises this responsibility and is composed of Directors who are not employees of the Workers' Safety and Compensation Commission. The Governance Council meets with management and the external auditors on a regular basis. The external auditors have full and free access to the Governance Council.

The Auditor General of Canada annually provides an independent, objective audit of the financial statements for the purpose of expressing her opinion on these financial statements. She also considers whether the transactions that come to her notice in the course of this audit are, in all material respects, in accordance with specified legislation.

Morneau Sobeco, an independent firm of consulting actuaries, performed an actuarial valuation and provided an opinion on the adequacy and appropriateness of the benefits liability of the Workers' Safety and Compensation Commission.



Anne S. Clark
President and CEO



John Doyle
VP, Revenue and Financial Services

March 26, 2010

Actuarial Statement of Opinion

I have completed the actuarial valuation of the benefit liabilities of the Workers' Safety and Compensation Commission (the "Commission") as at December 31, 2009 (the "valuation date"). Details of the data, actuarial assumptions, valuation methods and results are included in the actuarial valuation report as at the valuation date, of which this statement of opinion forms part.

In my opinion:

1. The estimate of the actuarial liabilities as at the valuation date is $233,926,000. This includes provisions for benefits and future administration expenses expected to be paid after the valuation date for claims that occurred on or before the valuation date. This liability includes the Hunters & Trappers group. It does not include any self-insured employers. A provision for future claims arising from long latency occupational diseases is not included in this valuation.
2. The valuation is based on the provisions of the *Workers' Compensation Act* S.N.W.T. 2007, c. 21, the *Workers' Compensation Act* S. Nu. 2007, c. 15 and on the Commission's policies and practices in effect on the valuation date.
3. The data on which the valuation is based were supplied by the Commission in accordance with specifications provided by us. We applied such checks of reasonableness of the data as we considered appropriate, and have concluded that the data are sufficient and reliable to permit a realistic valuation of the liabilities of the Commission.
4. The actuarial assumptions adopted in computing the liabilities are adequate and appropriate, and the methods used are in accordance with accepted actuarial practice for Workers' Compensation organizations in Canada. The economic assumptions are consistent with the funding and investment policies of the Commission.

Thane MacKay, F.C.I.A
Principal, Morneau Sobeco

March, 2010

The actuarial valuation report has been peer reviewed by Howard Slaney, F.C.I.A.

Auditor General of Canada
Vérificatrice générale du Canada

Auditor's Report

To the Ministers responsible for the Workers' Safety and Compensation Commission of the Northwest Territories and Nunavut

I have audited the balance sheet of the Workers' Safety and Compensation Commission of the Northwest Territories and Nunavut as at December 31, 2009 and the statements of operations and comprehensive income, changes in funded position and cash flows for the year then ended. These financial statements are the responsibility of the Commission's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with Canadian generally accepted auditing standards . Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the Commission as at December 31, 2009 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles. As required by the *Financial Administration Act* of the Northwest Territories and of Nunavut, I report that, in my opinion, these principles have been applied on a basis consistent with that of the preceding year.

Further, in my opinion, proper books of account have been kept by the Commission and the financial statements are in agreement therewith. In addition, the transactions of the Commission that have come to my notice during my audit of the financial statements have, in all significant respects, been in accordance with Part IX of the *Financial Administration Act* and regulations of the *Northwest Territories and of Nunavut and the Workers' Compensation Act* and regulations of the Northwest Territories and of Nunavut.

Sheila Fraser

Sheila Fraser, FCA
Auditor General of Canada

Ottawa, Canada
March 26, 2010

Balance Sheet

As at December 31
(in thousands of dollars)

	2009	2008
ASSETS		
Cash and cash equivalents (Note 5)	$ 7,097	$ 6,146
Assessments receivable (Note 6a)	816	3,155
Other receivables (Note 6b)	153	445
Prepaid expenses	290	195
Investments (Note 7)	268,098	260,526
Buildings and equipment (Note 8)	4,180	4,405
Intangible assets (Note 9)	3,350	3,130
	283,984	278,002
LIABILITIES AND RESERVES		
Liabilities		
Accounts payable and accrued liabilities	3,337	2,759
Estimated liability for Giant Mine (Note 10)	5,004	-
Assessments refundable	1,846	990
Benefits liability (Note 11)	233,925	232,190
Employee future benefits (Note 12b)	849	844
	244,961	236,783
Reserves (Note 13)		
Operating reserve	6,760	5,315
Investment fluctuation reserve	10,558	-
Rate stability reserve	-	14,619
Safety reserve	105	105
Catastrophe reserve	21,600	21,180
	39,023	41,219
	$ 283,984	$ 278,002

Commitments (Note 14), Contingencies (Note 15).
The accompanying notes form an integral part of these financial statements.

Approved by the Governance Council:

William Aho, Chairperson, Governance Council

Statement of Operations and Comprehensive Income

As at December 31
(in thousands of dollars)

	2009	2008
REVENUE		
Assessments	$ 32,448	$ 38,964
Add: Safe Advantage penalties (Note 21)	413	349
Less: Safe Advantage refunds (Note 21)	(801)	(742)
Net Assessment Income	32,060	38,571
Investments		
Interest and dividends	7,900	9,186
Investment gains/(losses) – net (Note 7d)	13,198	(31,206)
Investment fees	(699)	(821)
Net Investment Income	20,399	(22,841)
Prevention Services Fines	-	90
Total Income	52,459	15,820
EXPENSES		
Claims costs		
Claims costs, current year injuries (Note 11)	26,205	33,549
Claims costs, prior years' injuries (Note 11)	8,222	6,541
Interest expense on Giant Mine litigation	-	397
Order to pay costs, Giant Mine litigation (Note 10)	5,004	-
Third party legal claim recoveries (Note 16)	(361)	(1,174)
Recoveries for hunters and trappers (Note 19)	(496)	(1,042)
Net Claims Costs	38,574	38,271
Administration and general expenses (Note 18)	16,081	17,925
Total Expenses	54,655	56,196
OPERATING DEFICIT AND COMPREHENSIVE LOSS	$ (2,196)	$ (40,376)

The accompanying notes form an integral part of these financial statements.

Statement of Changes in Funded Position

For the year ended December 31 (in thousands of dollars)

	2009	2008
Reserves, beginning of year	$ 41,219	$ 81,595
Operating deficit and comprehensive loss	(2,196)	(40,376)
Reserves, end of year	39,023	41,219
Allocation of funded position:		
Operating reserve		
Balance, beginning of year	5,315	8,900
Operating deficit and comprehensive loss	(2,196)	(40,376)
Transfer from Rate stability reserve	14,619	23,381
Transfer (to)/from Investment fluctuation reserve – current year's (gains) losses	(10,558)	13,795
Transfer from Safety reserve	-	35
Transfer to Catastrophe reserve	(420)	(420)
Balance, end of year	6,760	5,315
Investment fluctuation reserve		
Balance, beginning of year	-	13,795
Transfer from/(to) Operating reserve – current year's gains (losses)	10,558	(13,795)
Balance, end of year	10,558	-
Rate stability reserve		
Balance, beginning of year	14,619	38,000
Transfer to Operating reserve	(14,619)	(23,381)
Balance, end of year	-	14,619
Safety reserve		
Balance, beginning of year	105	140
Transfer to Operating reserve	-	(35)
Balance, end of year	105	105
Catastrophe reserve		
Balance, beginning of year	21,180	20,760
Transfer from Operating reserve	420	420
Balance, end of year	21,600	21,180
Total Reserves Balance	$ 39,023	$ 41,219

The accompanying notes form an integral part of these financial statements.

Statement of Cash Flows

For the year ended December 31 (in thousands of dollars)

	2009	2008
OPERATING ACTIVITIES		
Cash received from:		
Assessments from employers	$ 36,055	$ 38,882
Interest	27	310
Cash paid to:		
Payments to claimants or third parties on their behalf	(31,834)	(29,597)
Purchases of goods and services	(14,579)	(16,147)
Return of Giant Mine proceeds	-	(17,576)
Assessment rebate	(801)	-
Cash used in operating activities	(11,132)	(24,128)
INVESTING ACTIVITIES		
Transfer from investment accounts	13,500	29,000
Purchase of capital assets	(1,417)	(1,524)
Cash provided by investing activities	12,083	27,476
Net increase in cash and cash equivalents	951	3,348
Cash and cash equivalents, beginning of year	6,146	2,798
Cash and cash equivalents, end of year (Note 5)	$ 7,097	$ 6,146

The accompanying notes form an integral part of these financial statements.

Notes to the Financial Statements

December 31, 2009
(in thousands of dollars)

1. Authority, mandate and shared operations

The Workers' Safety and Compensation Commission (the Commission) operates under the authority of the Northwest Territories and Nunavut *Workers' Compensation Acts*. In addition, the Commission is also responsible for the administration of the Northwest Territories and Nunavut *Safety Acts, Mine Health and Safety Acts,* and the *Explosives Use Acts*. The Commission is exempt from income tax and the goods and services tax.

The Commission's mandate is to provide benefits to injured workers and to levy assessments against employers to cover the current and future costs of existing claims. The Commission is also responsible to develop safety awareness programs and monitor safety practices in the workplace.

The Government of the Northwest Territories and the Government of Nunavut have signed an inter-governmental agreement for a shared Workers' Safety and Compensation Commission to allow the Commission to remain as a single entity serving both territories. Cancellation of this agreement by either party requires notice of one full fiscal year.

2. Adoption of new accounting standards

a) Goodwill and intangible assets, Section 3064

On January 1, 2009, the Commission adopted the provisions of new CICA Handbook Section 3064, Goodwill and Intangible Assets. The new standard contains new recognition and measurement criteria for computer application software and separate presentation of intangible assets on the balance sheet.

The section has been adopted retrospectively by the Commission. There was no effect on net loss from operations and comprehensive loss. The net book value of software that has been reclassified from buildings and equipment to intangible assets on the balance sheet is $3,350 (2008 - $3,130).

b) Credit risk and fair value of financial assets and financial liabilities, EIC-173

In January 2009, the Emerging Issues Committee (EIC) issued EIC-173. EIC-173 requires an entity to take into account its own credit risk and that of the relevant counterparty(s) when determining the fair value of financial assets and financial liabilities, including derivative instruments. This EIC, which became effective November 1, 2008 and has been applied for the Commission's 2009 financial year had no impact on the Commission's financial statements.

c) Fair value and liquidity risk disclosure – amendments to financial instruments – disclosures, Section 3862

Effective January 1, 2009, the Commission adopted the recent amendments to Canadian Institute of Chartered Accountants (CICA) 3862, Financial Instruments – Disclosure, which requires the disclosures of the estimated fair value of financial instruments. The fair value of a financial instrument is the amount at which the instrument could be exchanged in a current financial transaction between willing parties, other than in a forced or liquidation sale.

Notes to the Financial Statements

The amendments to CICA 3862, Financial Instruments – Disclosure, establish a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted process in active markets for identical assets or liabilities (Level 1 measurement) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are as follows:

Level 1 – Inputs that reflect unadjusted quoted prices in active markets for identical assets or liabilities that are accessible at the measurement date.

Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly, including inputs in markets that are not considered to be active.

Level 3 – Inputs that are unobservable. There is little if any market activity. Inputs into the determination of fair value require significant management judgment or estimation.

The disclosures required by the amendments to 3862 have been included within Note 7.

3. International Financial Reporting Standards (IFRS)

In February 2008, the CICA Accounting Standards Board confirmed that the transition to IFRS from Canadian GAAP will be required for publicly accountable enterprises for interim and annual financial statements effective for fiscal years beginning on or after January 1, 2011, including comparatives for 2010. As a government business enterprise, the Commission is required to adopt IFRS effective January 1, 2011. The Commission's management has completed its convergence plan, prepared a high-level assessment of the main differences between the Commission's accounting policies and IFRS, and it has selected its IFRS accounting policies.

4. Significant accounting policies

The financial statements were prepared in accordance with Canadian generally accepted accounting principles. The following is a summary of the significant accounting policies:

a) Use of estimates

The preparation of financial statements in accordance with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts in the financial statements and accompanying notes. Actual results could differ significantly from those estimates. The more significant management estimates relate to the determination of the benefits liability, estimated liability for Giant Mine, assessments receivable, employee future benefits, and fair value of investments.

Notes to the Financial Statements

December 31, 2009
(in thousands of dollars)

b) Cash and cash equivalents

Cash and cash equivalents are cash and money market instruments with initial maturities up to three months, less any bank overdraft. Cash and short-term investments held by investment managers for investment purposes are excluded from cash and cash equivalents reported on the balance sheet.

c) Assessments

At the beginning of each year, the Commission levies assessments on employers by applying their industry assessment rate to their estimated payrolls for the year. The assessment levy is payable by instalments during the year. At year end, employers file a statement of actual assessable payroll and the difference between estimated payroll and actual payroll is recognized either as assessment revenue and recorded as a receivable, or as reduction in assessment revenue and recorded as assessment refundable.

An allowance for doubtful accounts is recorded for assessments receivable based on management's best judgment. The Governance Council must approve all assessments receivable write-offs.

d) Investments

Interest and dividends are recognized as income in the period earned. Transaction costs are recognized as expenses in the period incurred. Purchases and sales of investments are recognized on the trade date.

Investments denominated in foreign currencies are translated into Canadian dollars at exchange rates prevailing at the end of the year. Interest, dividends, and realized gains and losses are translated at the exchange rates in effect on the transaction date. Exchange gains and losses resulting from the translation of foreign currency balances at year-end and transactions during the year are recorded in investment gains (losses) on the statement of operations and comprehensive income.

e) Benefits liability

The benefits liability represents the present value of future payments in respect of medical aid benefits, compensation payments and pensions in respect of claims arising from accidents occurring prior to the end of the fiscal year. The benefits liability also includes an allowance for future claims management costs.

Notes to the Financial Statements

Many assumptions are required to calculate the benefits liability, including estimates of future inflation, interest rates, and mortality rates. The benefits liability is determined annually by an independent actuarial valuation. The independent actuary's opinion on the adequacy and appropriateness of the benefits liability is attached to these financial statements.

The benefits liability includes provision for all benefits provided by current legislation, policies, and administrative practices. A provision for future claims arising from latent occupational diseases was not included in this valuation as it cannot be reliably measured.

f) Administration and general expenses

A portion of administration and general expenses is allocated as claims management costs to the current year's claims and the prior years' claims. The amount allocated to claims is reviewed by the independent actuary for reasonableness as part of the annual actuarial valuation of the benefits liability.

g) Employee future benefits

Pension benefits

All eligible employees participate in the Public Service Pension Plan (PSPP) administered by the Government of Canada. The Commission's contributions to the PSPP are based on a percentage of employees' contributions. The percentage may change from year to year depending on the experience of the PSPP. The Commission's contributions are charged to operations on a current basis as employees render services and represent the total pension obligations. The Commission is not currently required to make contributions with respect to actuarial deficiencies of the PSPP.

Other benefits

Under the terms and conditions of employment, employees may earn non-pension benefits for resignation, retirement, and removal out based on years of service and final salary. The cost of these non-pension benefits is determined based on management's best estimates and recognized as an expense and liability as employees render services.

h) Buildings and equipment

Buildings and equipment are recorded at cost and amortized over their estimated useful lives using the straight-line method as follows:

Building	25 years
Furnishings	10 years
Equipment	5 years
Leasehold improvements and office space (leased)	lesser of useful life or lease term

Notes to the Financial Statements

December 31, 2009
(in thousands of dollars)

i) Intangible assets

Intangible assets are made up of computer application software. These amounts are recorded at cost and amortized over their estimated useful life of eight years using the straight-line method.

j) Financial instruments – recognition and management

CICA Handbook Section 3855 requires that nearly all financial assets and financial liabilities be measured at fair value on initial recognition. Measurement in subsequent periods depends on whether the financial asset or financial liability has been classified as held for trading, available-for-sale, held-to-maturity, loans and receivables, or other liabilities.

Financial instruments classified as held for trading are subsequently measured at fair value and realized and unrealized gains and losses are included in net income in the period in which they arise. The Commission classifies cash and cash equivalents as held for trading. The Commission also classifies their fixed income investments, equity investments and real estate portfolio investments as held for trading. The fair value for publicly traded investments is based on quoted market prices and privately held investments are measured using a multi dealer blended price.

Available-for-sale investments are those non-derivative financial assets that are designated as available-for-sale or are not classified as held for trading, held-to-maturity, or loans and receivables. Available-for-sale assets are subsequently measured at fair value with unrealized gains and losses recorded in other comprehensive income until realized, at which time they are recognized in net income. The Commission has not classified any of its financial instruments as available-for-sale.

Held-to-maturity assets are those non-derivative financial assets with fixed or determinable payments and fixed maturity that the Commission has an intention and ability to hold until maturity, excluding those assets that have been classified as held for trading, available-for-sale, or loans and receivables. They are subsequently measured at amortized cost using the effective interest method. The Commission has not classified any financial instruments as held-to-maturity.

Financial instruments classified as loans and receivables are non-derivative financial assets resulting from the delivery of cash or other assets by a lender to a borrower in return for a promise to repay on a specified date or dates, or on demand, usually with interest. These assets do not include debt securities or assets classified as held for trading. They are subsequently measured at amortized cost using the effective interest method. The Commission classifies assessments receivable and other receivables, which are current financial instruments, as loans and receivables.

All financial liabilities not classified as held for trading are classified as other financial liabilities and are subsequently measured at cost or amortized cost. The Commission classified accounts payable and accrued liabilities, and assessments refundable as other financial liabilities.

Notes to the Financial Statements

December 31, 2009
(in thousands of dollars)

5. Cash and cash equivalents

The Commission invests in short-term money market instruments. The market yield of this portfolio for the year was 0.11% (2008 – 3.44%). All instruments held in cash and cash equivalents are readily convertible to cash and are held in high quality debt obligations issued or guaranteed by federal, provincial, or territorial governments, Canadian chartered banks, or loan or trust companies registered in Canada.

	2009	2008
Cash	$ 6,033	$ 2,038
Short-term investments	1,064	4,201
	7,097	6,239
Less: bank overdraft	-	(93)
	$ 7,097	$ 6,146

6. Assessments and other receivables

a) Assessments receivable

	2009	2008
Current assessments receivable	$ -	$ 1,998
Overdue assessments receivable	974	1,248
Less: allowance for doubtful accounts	(158)	(91)
Net assessments receivable	$ 816	$ 3,155

The Commission collected $222 of interest income during the current year on the receivables (2008 - $285). Interest is charged at the rate of 2% per month on the outstanding balance, including assessment interest receivable. None of the above, except for those included in the allowance, are considered to be impaired.

b) Other receivables

Other receivables are non-interest bearing. None of these amounts are considered to be impaired.

Notes to the Financial Statements

December 31, 2009
(in thousands of dollars)

7. Investments

The Commission's investment portfolio consists of fixed income, equity, and real estate portfolio investments. The Commission's investment objective is to achieve a long-term rate of return that is sufficient to allow the Commission to fund its benefits liability, cover its operating costs, and set reasonable and stable assessment rates for employers. All investments, including cash and cash equivalents managed by investment managers, are designated as held-for-trading.

	2009		2008	
	Fair Value	Cost	Fair Value	Cost
Fixed income investments	$ 125,915	$ 120,459	$ 132,444	$ 128,793
Real estate	30,061	32,905	32,412	31,486
Equities	112,122	123,542	95,670	121,373
Total	$ 268,098	$ 276,906	$ 260,526	$ 281,652

a) Fixed income investments

The fair value and cost of the fixed income investments as at December 31 are as follows:

	2009		2008	
	Fair Value	Cost	Fair Value	Cost
Fixed income securities	$ 37,748	$ 36,953	$ 40,175	$ 39,136
Add pooled funds				
Indexed bond funds	54,220	53,506	60,150	59,657
Mortgage fund	33,947	30,000	32,119	30,000
	$ 125,915	$ 120,459	$ 132,444	$ 128,793

The Commission classifies securities held in a pooled fund on the basis of the assets comprising the major portion of such pooled fund.

Included in the above amounts are investments in privately held related party bonds, as disclosed in Note 19. The cumulative unrealized gains in 2009 on the privately held investments were $271 (2008 - $386). The change in market values for the year ended December 31, 2009 charged to net loss from operations was ($208) (2008 – ($390)).

Notes to the Financial Statements

December 31, 2009
(in thousands of dollars)

The cumulative unrealized gains on fixed income investments as at December 31 were:

	2009	2008
Fixed income – cost	$ 120,459	$ 128,793
Cumulative unrealized gains	5,456	3,651
Fixed income – fair value	$ 125,915	$ 132,444

The remaining term to maturity of the other fixed income investments as at December 31 is as follows:

	Within 1 Year	1 to 2 Years	2 to 5 Years	5 to 10 Years	Over 10 Years	Fair Value 2009	Fair Value 2008
Cash, short term investments and net payable in investment manager accounts	$ 1,666	$ -	$ -	$ -	$ -	$ 1,666	$ 4,249
Government bonds	-	5,948	8,180	2,522	9,392	26,042	16,739
Corporate bonds	-	209	1,224	625	7,529	9,587	18,557
Mortgage backed bonds	-	-	-	-	453	453	630
	$ 1,666	$ 6,157	$ 9,404	$ 3,147	$ 17,374	$ 37,748	$ 40,175

b) Real estate

The fair value and cost of the real estate portfolio investments as at December 31 are as follows:

	2009		2008	
	Fair Value	Cost	Fair Value	Cost
Canadian properties (pooled fund)	$ 30,061	$ 32,905	$ 32,412	$ 31,486

The Commission classifies securities held in a pooled fund on the basis of the assets comprising the major portion of such pooled fund.

Notes to the Financial Statements

December 31, 2009
(in thousands of dollars)

The cumulative unrealized (losses) gains on the real estate portfolio investments as at December 31 are as follows:

	2009	2008
Canadian properties – cost	$ 32,905	$ 31,486
Cumulative unrealized (losses) gains	(2,844)	926
Canadian properties – fair value	$ 30,061	$ 32,412

c) Equities

The fair value and cost of the equity investments as at December 31 are as follows:

	2009		2008	
	Fair Value	Cost	Fair Value	Cost
Total equities	$ 230,350	$ 239,953	$ 220,351	$ 242,516
Less: pooled funds				
Indexed bond funds	(54,220)	(53,506)	(60,150)	(59,657)
Mortgage fund	(33,947)	(30,000)	(32,119)	(30,000)
Canadian properties	(30,061)	(32,905)	(32,412)	(31,486)
	$ 112,122	$ 123,542	$ 95,670	$ 121,373
Canadian equities	$ 44,042	$ 34,049	$ 34,800	$ 32,719
U.S. equities	36,490	50,502	33,900	50,502
International equities	31,590	38,991	26,970	38,152
	$ 112,122	$ 123,542	$ 95,670	$ 121,373

The Commission classifies securities held in a pooled fund on the basis of the assets comprising the major portion of such pooled fund.

Notes to the Financial Statements

December 31, 2009
(in thousands of dollars)

The cumulative unrealized gains and losses on the equity investments as at December 31 are as follows:

	2009	2008
Equity investments – cost	$ 123,542	$ 121,373
Cumulative unrealized gains	9,993	2,080
Cumulative unrealized losses	(21,413)	(27,783)
Equity investments – fair value	$ 112,122	$ 95,670

d) Investment gains / (losses) - net

The investment gains / (losses) - net recorded in income can be broken down as follows:

	2009	2008
Realized gains on investments	$ 880	$ 8,560
Change in unrealized gains (losses) on investments during the year	12,318	(39,766)
	$ 13,198	$ (31,206)

e) Investment performance

Investments are managed by six independent investment managers. The market return of the portfolio for the year ended December 31 is as follows:

	2009	2008
Fixed income investments	5.46%	6.09%
Canadian equities	26.56%	-24.38%
U.S. equities	7.64%	-20.76%
International equities	17.13%	-26.81%
Cash and cash equivalents	0.41%	2.84%
Real estate	-7.20%	2.69%
Mortgages	5.69%	4.66%

Notes to the Financial Statements

December 31, 2009
(in thousands of dollars)

f) Fair value hierarchy

The Commission's investments categorized according to their fair value hierarchy as described in Note 2b) is as follows as at December 31, 2009:

	Level 1	Level 2	Level 3	Total
Equities	$ 112,122	$ -	$ -	$ 112,122
Fixed income	81,928	9,587	-	91,515
Real estate	30,061	-	-	30,061
Mortgages	33,947	453	-	34,400
Total	$ 258,058	$ 10,040	$ -	$ 268,098

g) Investment activity

The Commission's change in investments during the year ended December 31 is as follows:

	2009	2008
Balance, beginning of year	$ 260,526	$ 311,860
Gains and losses	13,198	(31,206)
Interest and dividends	7,900	9,186
Miscellaneous expenses taken directly from custodian account	(26)	(314)
Transfer to operating cash accounts	(13,500)	(29,000)
Balance, end of year	$ 268,098	$ 260,526

8. Buildings and equipment

	Cost	2009 Accumulated Amortization	2009 Net Book Value	2008 Net Book Value
Building	$ 3,299	$ 536	$ 2,763	$ 2,866
Leasehold improvements	1,064	505	559	714
Equipment	2,496	1,903	593	541
Furnishings	776	511	265	284
	$ 7,635	$ 3,455	$ 4,180	$ 4,405

Notes to the Financial Statements

December 31, 2009
(in thousands of dollars)

9. Intangible assets

	Cost	2009 Accumulated Amortization	2009 Net Book Value	2008 Net Book Value
Computer application software	$ 7,738	$ 4,388	$ 3,350	$ 3,130

In 2009, the Commission reviewed its estimate of the remaining useful life of the Compensation, Assessment and Accident Prevention System (CAAPS), the computer application software used to manage assessments and claims. The effect of this change in estimate was an increase in amortization expense of $45.

10. Subsequent events

a) Order to pay costs, Giant Mine litigation

On February 18, 2010, the Supreme Court of Canada released its decision in the Fullowka et al v. Pinkertons et al case (the Giant Mine litigation), deciding in favour of the respondents. The Commission is responsible for costs, and has recorded the total estimated liability which is expected at $5.004 million. The costs have not been fully assessed, and are subject to the judgment of the Appeals Court. These amounts cannot be fully assessed until the judgment of the Appeals Court, and the final amount could be different than the estimated liability. The Commission estimates that the liability could range between $4.004 million and $6.004 million.

b) Purchase of fifth floor

On June 1, 2010, the Commission purchased office space previously under lease for fair market value of $1.95 million, plus adjustments, subject to the approval of the Government of the Northwest Territories and the Government of Nunavut Executive Councils. This purchase will be recorded in the 2010 financial statements.

11. Benefits liability

The benefits liability is composed of two parts:

a) Future claims liability

This liability represents the present value of the expected future claim payments on claims arising from accidents that occurred on or prior to the end of the fiscal year for hospital and medical services (Medical Aid), short-term income benefits (Compensation), pension benefits for future capitalizations (Future Capitalizations), and related administrative expenses. Future Capitalizations represent that portion of the future claims liability that is an estimate of the liability for expected pension benefit awards that relates to injuries that have already occurred.

Notes to the Financial Statements

December 31, 2009
(in thousands of dollars)

The Commission includes a provision for expected future claims costs for Hunters & Trappers in the Future Claims Liability in accordance with the Memorandum of Understanding on Renewable Resources Harvesters (May 1994).

The liabilities for the Medical Aid and Compensation benefits were developed using the loss development method. This method is also commonly known as the claims run-off approach. The liability for Future Capitalizations was developed using a modified version of the loss development method.

Approved pension liability

This liability represents the present value of the expected future pension payments plus related expenses for approved pension awards as at the end of the fiscal year.

	Medical Aid	Compensation	Future Capitalization	Pension Awards	Total 2009	Total 2008
Balance, beginning of year	$ 31,523	$ 25,350	$ 32,931	$ 142,386	$ 232,190	$ 223,140
Add: Claims costs						
Current year	6,168	9,933	8,159	1,945	26,205	33,549
Prior years	5,282	2,052	(6,637)	7,525	8,222	6,541
Liability transfer, capitalizations	-	-	(5,875)	5,875	-	-
	11,450	11,985	(4,353)	15,345	34,427	40,090
Less: Claims payments						
Current year injuries						
Claims payments	1,364	2,276	-	73	3,713	5,181
Claims management	613	1,024	-	7	1,644	1,725
Prior years' injuries						
Claims payments	4,431	5,045	2,615	9,744	21,835	20,414
Claims management	1,994	2,270	262	974	5,500	3,720
	8,402	10,615	2,877	10,798	32,692	31,040
Balance, end of year	$ 34,571	$ 26,270	$ 25,701	$ 146,933	$ 233,925	$ 232,190

Notes to the Financial Statements

December 31, 2009
(in thousands of dollars)

The following is an actuarial reconciliation of the changes in the benefits liability during the year ended December 31:

	2009	2008
Balance, beginning of year	$ 232,190	$ 223,140
Add:		
Provision for current year's claims	20,646	26,644
Interest allocated	15,641	15,054
	36,287	41,698
Deduct:		
Payments for prior years' claims	(27,334)	(24,134)
Experience gain	(7,218)	(8,514)
	(34,552)	(32,648)
Balance, end of year	$ 233,925	$ 232,190

The Commission bases expectations of costs of awarded pensions, and the ongoing cost of Compensation and Medical Aid payments on the experience of prior years. The principal sources of the experience gain are as follows:

- $2,929 from lower than expected pension awards from prior years' claims.
- $780 from lower than expected Compensation payments.
- $2,618 from actual inflation experience for approved pensions for 2010, which was 1.65% versus the expected 3.5%.
- $769 from other factors, including mortality experience.

In addition, in 2009 the Commission reviewed its method of estimating allocation of administration expenses and its expectation of future lump sum pension awards. These amounts are included in the experience gain above. The effect of these changes in estimates on the current year liability valuation is as follows:

- $6,150 from reduced expectation of future lump sum pension payments.
- ($4,613) from an increase in cost of administering for Medical Aid and Compensation payments.
- ($1,415) from an increase in cost of administering approved pension payments.

Notes to the Financial Statements

December 31, 2009
(in thousands of dollars)

Major actuarial assumptions

The following economic assumptions are used in the valuation of the Future Claims Liability: discount rate - 7.125% (2008 - 7.125%), inflation rate – i) Future Capitalizations: 1.65% in 2010 and 3.5% per annum thereafter (2008 - 2.17% and 3.5%), and ii) Compensation and Medical Aid: 3.5% per annum (2008 – 3.5%).

The following economic assumptions are used in the valuation of the approved pension liability: discount rate - 7.125% (2008 - 7.125%), inflation rate - 1.65% in 2010 and 3.5% thereafter (2007 – 2.17% and 3.5%).

12. Employee future benefits

a) Pension plan

The Commission and all eligible employees contribute to the Public Service Pension Plan (PSPP). This pension plan provides benefits based on years of service and average pensionable earnings at retirement. The benefits are fully indexed to the Consumer Price Index. Contributions to the PSPP during the year were as follows:

	2009	2008
Commission's contributions	$ 1,351	$ 1,403
Employees' contributions	663	660

b) Other benefits

The Commission provides other benefits to its employees based on years of service and final salary. This benefit plan is not pre-funded and thus has no assets, resulting in a plan deficit equal to the accrued benefit obligation. The cost of these benefits is accrued as employees render the services necessary to earn them. Liability for resignation, retirement, severance, and ultimate removal benefits measured at the balance sheet date is as follows:

	2009	2008
Balance, beginning of year	$ 844	$ 758
Cost for the year	269	105
Benefits paid during the year	(264)	(19)
Balance, end of year	$ 849	$ 844

Notes to the Financial Statements

December 31, 2009
(in thousands of dollars)

Management determined the accrued benefit obligation using a method based upon assumptions and its best estimates. The following economic assumptions are used in the valuation of employee future benefits: Discount rate 7.125%, and an annual rate of general escalation in wages of 3% thereafter. Management believes that the estimate of this is not significantly different than had it been actuarially determined.

In prior years, the benefit obligation was recorded at the nominal amount. The impact on the current year's employee benefit liability from this change in estimate is $278.

13. Reserves

The Northwest Territories and Nunavut *Workers' Compensation Acts (the Acts)* stipulate the creation of a Workers' Protection Fund for the payment of present and future compensation. As the Workers' Protection Fund includes all assessments from employers and amounts to be paid to injured workers, as well as the costs to administer the *Acts*, the Governance Council considers that capital includes all reserves of the Commission. The Workers' Protection Fund is fully funded when the total fund assets equal or exceed total liabilities plus the Catastrophe Reserve. This funded position (or net assets) represents the current funding status of the Workers' Protection Fund. The Governance Council's long term goal is to maintain the funded position at 108%-120% of fully funded.

At December 31, 2009, the Funded Position is 106% (2008 – 108%).

The Commission maintains five reserves within the Workers' Protection Fund. All of these reserves are established by the Governance Council, and none are externally restricted. The Commission made no changes to the management of capital during the year.

In accordance with Section 83 of the *Acts*, the Governance Council is responsible for approving the operating and capital budgets of the Commission, for approval of assessment rates for employers and benefits to workers, and for ensuring the proper stewardship of the Workers' Protection Fund. It is the objective of the Governance Council to ensure the financial sustainability of the Workers' Safety and Compensation Commission, while maintaining stability of assessment rates and benefits to injured workers.

The Governance Council manages capital by monitoring all revenues and expenses through its budgeting and financial reporting processes, and by establishing assessment rates and an investment policy that maintain the funded status of the Commission and ensure the ability to care for injured workers.

a) Operating reserve

The operating reserve, established in accordance with the Northwest Territories and Nunavut *Workers' Compensation Acts*, is intended to protect the Commission against adverse fluctuations in claims costs and investment results. The target level

Notes to the Financial Statements

for the operating reserve is established after the target level for the catastrophe reserve has been determined. Assessment rates are adjusted to bring the operating reserve to its target level over a period of between two years and ten years, depending on the margin by which the operating reserve is above or below the target level. The tolerance range for the operating reserve is plus or minus 50% of the target level. The target range at year end was $4,641 to $13,924 (2008 - $5,315 to $15,946).

b) Investment fluctuation reserve

The purpose of the investment fluctuation reserve is to recognize the annual gains and losses on investments on an even basis in the operating reserve over a period of five years.

c) Rate stability reserve

The rate stability reserve was established to fund the provision of a rate discount to employers on their assessments. The target level for the rate stability reserve is determined after the target levels for the catastrophe reserve and operating reserve are established. The rate stability reserve will be used to stabilize employer assessments as the investment market changes and there are fluctuations in the Workers' Protection Fund.

d) Safety reserve

The safety reserve was established to fund safety programs and will be used to implement the Commission's safety strategy.

e) Catastrophe reserve

The catastrophe reserve is intended to protect the Commission against a catastrophic event that results in a substantial increase in the Commission's benefits liability. The Commission established specific criteria to determine whether an accident or event meets the definition of a catastrophic claim. The target level for the catastrophe reserve is set at 300 times the 2009 Year's Maximum Insurable Remuneration (YMIR) of $72.1 (2008 - $70.6). The target level for the catastrophe reserve provides for the cost of a disaster.

Notes to the Financial Statements

December 31, 2009
(in thousands of dollars)

14. Commitments

Future minimum lease payments as at December 31, 2009 on operating leases for office premises, staff accommodations and equipment over the next five years and thereafter are as follows:

Year	2009
2010	$ 1,230
2011	1,106
2012	878
2013	846
2014	643
Thereafter	103
	$ 4,806

15. Contingencies

The Commission is required to pay for future costs of claims relating to certain latent occupational diseases which may have occurred in the current year or previously, but which may not be recognized and reported for a number of years due to the extended latency period of such diseases. Because of the absence of reliable evidence and data pertaining to these matters, these liabilities cannot be estimated and are not included in the benefits liability or the financial statements.

Due to the nature of the Commission's operations, various legal matters are pending. In the opinion of management, these matters will not have a material effect on the Commission's financial position or results of operations.

16. Third party legal claim recoveries

There are a number of third party legal claims outstanding for recovery of claims expenses from third parties. Third party legal claim recoveries, net of legal expenses, recognized in income during the year were $361 (2008 - $1,174).

17. Financial risk management

The Governance Council is responsible for reviewing and approving the Commission's investment policy and plan. The investment policy and plan outline the types and classes of investments the Commission may invest in and how the Commission plans to achieve its investment objective and manage its investment risk. The Commission manages the risk associated to its investments by maintaining a well-diversified portfolio and by engaging external investment managers with different investment styles and objectives. Generally speaking, investments are held until market conditions provide a better investment opportunity. The Commission regularly reviews the performance of its investment portfolio against established industry benchmarks.

Notes to the Financial Statements

December 31, 2009
(in thousands of dollars)

The Commission has exposure to the following financial risks from its use of financial instruments:

- Credit risk
- Market risk
  - Interest rate risk
  - Foreign currency risk
  - Real estate risk

The Commission's exposure to these risks arises primarily in relation to its investment portfolio, but also in relation to its other financial assets and financial liabilities. The following sections present information about the Commission's exposure to each of the above risks, and the Commission's objectives, policies and processes for measuring and managing its risks.

a) Credit risk

Credit risk on financial instruments arises from the possibility that the customer or counterparty to an instrument fails to meet its obligations. In order to manage this risk, the Commission's investment policy requires that short-term investments at the time of purchase have a minimum credit rating of R-1(low) or its equivalent, and that 90% or more of other fixed income investments have a minimum credit rating of A- or its equivalent. An independent rating service determines these ratings.

The Commission's exposure to credit risk associated with its accounts receivable and assessments receivable is the risk that an employer, or a cost recovery customer, will be unable to pay amounts due to the Commission. Allowances for doubtful accounts are provided for potential losses that have been incurred at the balance sheet date. The amounts disclosed on the balance sheet are net of these allowances for bad debts. Accounts receivable and assessments receivable are considered for impairment on a case-by-case basis when they are past due or when objective evidence is received that a customer will default. The Commission takes into consideration the customer's payment history, their credit worthiness and the then current economic environment in which the customer operates to assess impairment. The Commission recognizes a specific bad debt provision when management considers that the expected recovery is less than the actual amount receivable. All bad debts are charged to administration expenses.

The Commission believes that the credit risk of accounts receivable and assessments receivable is mitigated by the following:

i. The employer base is dispersed across various industries, with government comprising a significant concentration. The non-government based employers may be affected by downturns due to prevailing economic conditions.
ii. As at December 31, 2009, the majority of accounts receivable and assessments receivable are outstanding for less than 90 days. The Commission does not require collateral or other security from employers or customers for accounts receivable.
iii. The Commission has the power and remedies to enforce payment owing.

All of the Commission's accounts receivable and assessments receivable are reviewed for indicators of impairment on an annual basis.

Notes to the Financial Statements

December 31, 2009
(in thousands of dollars)

The following table outlines the credit risk exposure for the Commission at the balance sheet date for each major class of fixed income investments:

	R-1 (high)	R-1 (middle)	R-1 (low)	Total
Short-term investments	$ 660	$ 383	$ 21	$ 1,064
Fixed income	-	1,450	-	1,450
Total	$ 660	$ 1,833	$ 21	$ 2,514

	AAA	AA	A	BBB	Total
Short-term investments	$ 21,362	$ 10,275	$ 3,964	$ 480	$ 36,081
Fixed income	27,877	13,271	10,155	2,917	54,220
Total	$ 49,239	$ 23,546	$ 14,119	$ 3,397	$ 90,301

b) Market risk

Market risk is the risk that the fair value or future cash flows of the Commission's financial instruments will fluctuate in the future because of price changes. The Commission invests in publicly traded fixed income and equity investments available on domestic and foreign exchanges and in privately held investments. Market risk is managed through diversification between different asset classes and geographic diversification and by limiting the concentration in any single entity to 5% or less of the fair value of the investment fund. The one exception to the 5% or less concentration rule is an investment in a Real estate holding fund, Westpen Properties Ltd, at 11.21% of the total fund. This fund is diversified by investment type and geographic location. The Governance Council is aware of the actual fixed income investment exceeding the maximum target.

Notes to the Financial Statements

December 31, 2009
(in thousands of dollars)

The Commission's investment target and actual asset mix at fair value December 31 is as follows:

	Target		
	Maximum	Minimum	Actual
Fixed income investments	35%	25%	33.68
Canadian equities and cash equivalents	23%	13%	17.05
U.S. equities	21%	11%	13.10
International equities	16%	6%	11.78
Mortgages	15%	10%	12.66
Real estate	15%	10%	11.21

Equity investments are particularly sensitive to market risk. Because equities are recorded as held for trading, changes in their fair value from the movements in the markets have a significant impact on the net income and reserve values. The following table is a sensitivity analysis that shows the impact of a change of 17-20% depending on asset type, on the average market values of each portfolio, which equates to one standard deviation of the portfolio in the respective stock market index. The standard deviation is based on historical market values for the past five years of market benchmark indices ending on December 31, 2009.

Portfolio	Index	Exposure December 31	Change one standard deviation	Change to Net Income 2009
Canadian equities	TSX 300	$ 44,042	+20%	$ 8,808
U.S. equities	Russell 3000	$ 36,490	+17%	$ 6,203
International equities	MSCI EAFE	$ 31,590	+18%	$ 5,686

c) Interest rate risk

Interest rate risk is the risk that the fair value or cash flows of a financial instrument will fluctuate in the future because of interest rate changes. The Commission is exposed to interest rate risk primarily through its investments in fixed income investments. Fluctuations in interest rates can affect the fair value of the fixed income investments, as well as shift investor preferences among asset classes. Interest rate risk is minimized by actively managing the duration of the fixed income investments as detailed in Note 7a).

The following table provides a sensitivity analysis of the impact of a 1% change in nominal interest rates at the reporting date, assuming the change occurs evenly throughout the sector, and all other variables remain constant.

Notes to the Financial Statements

December 31, 2009
(in thousands of dollars)

	Movement in interest rates	Change to Net Income 2009
+/- change in	+1%	$ 5,389
Nominal interest rates	-1%	$ (5,389)

d) Foreign exchange risk

Foreign exchange risk is the risk that the value of financial assets and financial liabilities denominated in foreign currencies will fluctuate due to changes in their respective exchange rates relative to the Canadian dollar. The Commission has investments denominated in foreign currencies which are therefore exposed to currency risk. To mitigate this risk, investment managers are authorized to enter into forward foreign exchange contracts, which represent commitments to exchange two currencies at a specified future date based on a rate agreed to by both parties at the inception of the contract, for the sole purpose of hedging foreign currency transactions. The investment managers do not do this as a general matter of general practice. There were no forward foreign exchange contracts outstanding at December 31, 2009 (2008 - nil).

The total amount of investments, at fair value, exposed to foreign currency risk as at December 31 is as follows:

Foreign country currency	Fixed Income	Equities	Total Investments Fair Value 2009	Total Investments Fair Value 2008
U.S.	-	$ 36,490	$ 36,490	$ 33,900
Europe	-	11,688	11,688	10,626
United Kingdom	-	6,192	6,192	4,369
Japan	-	5,370	5,370	5,097
Switzerland	-	3,064	3,064	3,317
Hong Kong	-	1,706	1,706	1,214
Australia	-	916	916	512
Brazil	-	663	663	432
Taiwan	-	221	221	216
Mexico	-	379	379	270
Israel	-	347	347	324
China	-	411	411	-
Korea	-	253	253	161
Subtotal	-	67,700	67,700	60,438
Canada	37,748	162,650	200,398	200,088
	$ 37,748	$ 230,350	$ 268,098	$ 260,526

Notes to the Financial Statements

The following table provides a sensitivity analysis that illustrates the impact of a 10% appreciation in the Canadian dollar relative to the four largest foreign currencies that the Commission is exposed to. This analysis assumes that all other variables remain constant.

Currency	Exposure December 31 2009	Change	Change to Net Income 2009
U.S.	$ 36,490	+10%	$ (3,649)
Europe	$ 11,688	+10%	$ (1,169)
United Kingdom	$ 6,191	+10%	$ (619)
Japan	$ 5,370	+10%	$ (537)

e) Real estate risk

Real estate risk arises from changes in real estate values related to local markets and vacancy rates. Real estate risk is managed through diversification across real estate types and locations. Adverse impacts in any one segment of the market or geographic location are reduced by having holdings diversified across residential, commercial, industrial, and developmental markets.

The table below presents the estimated effect of a material adverse change in the valuations of the investment in domestic real estate. This change to net income reflects a change in valuation of 5.7%, which, based on ten years of results, would be one standard deviation of valuation change.

Portfolio	Exposure December 31 2009	Change	Change to Net Income 2009
Real estate	$ 30,061	(5.7) %	$ (1,713)

Notes to the Financial Statements

December 31, 2009
(in thousands of dollars)

18. Administration and general expenses

	2009	2008
Salaries, wages and allowances	$ 13,189	$ 12,682
Professional services	3,288	3,476
Office lease and renovations (non-capital)	1,629	2,003
Amortization	1,421	1,289
Travel	870	1,076
Advertising and public information	857	828
Contributions to other organizations	648	459
Communications	521	559
Office services and supplies	379	480
Training and development	258	246
Office furniture and equipment (non-capital)	205	259
Grants	129	79
Honoraria and retainers	122	108
Loss on asset disposal	1	-
Miscellaneous	(69)	71
Recoveries	(223)	(245)
	23,225	23,370
Less: Allocation to claims management costs - current year's injuries (Note 11)	(1,644)	(1,725)
Less: Allocation to claims management costs - prior years' injuries (Note 11)	(5,500)	(3,720)
	$ 16,081	$ 17,925

19. Related party transactions

The Commission is related to all departments and territorial public agencies of the Governments of the Northwest Territories and Nunavut. The Commission enters into transactions with these entities in the normal course of business. The following tables summarize the Commission's transactions:

Balances due from related parties as at December 31:

	2009	2008
Government of the Northwest Territories	$ 416	$ 528
Government of Nunavut	94	631
Territorial public agencies	-	12
	$ 510	$ 1,171

Notes to the Financial Statements

December 31, 2009
(in thousands of dollars)

Through memoranda of understanding with the Governments of the Northwest Territories and Nunavut, the Commission charges the governments for the costs of administering benefits relating to hunters and trappers claims. These costs include the increase or decrease in the future benefits liability related to hunters and trappers claims; therefore, a significant decrease in the future benefits liability can result in a refund by the Commission to either Government. The amount due from related parties includes reimbursements from the Governments of the Northwest Territories and Nunavut for hunters and trappers claims for the year in the amount of $400 (2008 - $480), and $96 (2008 - $562), respectively.

Balances payable to related parties as at December 31:

	2009	2008
Government of the Northwest Territories	$ 97	$ 35
Government of Nunavut	55	5
Territorial public agencies	32	16
	$ 184	$ 56

Assessments revenue, at rates determined using the same method as with others, from related parties for the year ended December 31:

	2009	2008
Government of the Northwest Territories	$ 1,651	$ 1,502
Government of Nunavut	1,485	1,337
Territorial public agencies	546	220
	$ 3,682	$ 3,059

Expenses to related parties for the year ended December 31:

	2009	2008
Government of the Northwest Territories	$ 448	365
Government of Nunavut	51	219
Territorial public agencies	307	$ 420
	$ 806	$ 1,004

Notes to the Financial Statements

December 31, 2009
(in thousands of dollars)

Investments in bonds of related parties at fair value for the year ended December 31:

	2009	2008
Northwest Territories Power Corporation		
11.00% maturing March 9, 2009	$ -	$ 508
11.125% maturing June 6, 2011	1,119	1,196
6.42% maturing December 18, 2032	1,586	1,686
5.95% maturing December 15, 2034	1,043	1,022
	3,748	4,412
Northwest Territories Legislative Assembly Building Society		
13.00% Series A, maturing August 31, 2013	216	268
	$ 3,964	$ 4,680

The Commission does not record the value of other services provided in the normal course of operations without charge by the Governments of the Northwest Territories and Nunavut in these financial statements. The services provided without charge are not significant but include areas where the Commission follows government administrative policies and employment contracts. These services include training services, records management, and human resources support.

20. Fair value of other financial instruments

Accounts payable, accrued liabilities, and other amounts receivable and refundable are recorded at their carrying values on the balance sheet, which are reasonable estimates of fair value due to the relatively short period to maturity of the financial instruments.

21. Assessment penalties and refunds

The Commission implemented the Safe Advantage Program in 2008, which assesses penalties and pays refunds to large employers based on claims expenses, safety practices, and return to work programs. In 2009, this resulted in penalties of $413 (2008 - $349) and refunds of $801 (2008 - $742).

22. Comparative information

Certain comparative figures have been reclassified to conform to the current year's presentation.

Workers' Advisor Office
for the Northwest Territories & Nunavut

Workers' Advisor Office

for the Northwest Territories & Nunavut

Message from the Workers' Advisor

This year has been one of growth and change in the Office of the Workers' Advisor (WAO) of the Northwest Territories and Nunavut. In addition to working diligently with injured workers from the NWT and Nunavut, I was also chosen to serve as the treasurer of the Canadian Association of Workers' Advisors and Advocates (CAWAA). I worked closely with the Deputy Workers' Advisor in Cambridge Bay. The WAO website (www.waonorth.ca) was updated and redesigned. I had the opportunity this year to travel to some of the communities in the NWT and Nunavut to visit injured workers and their families.

The Workers' Advisor has developed an excellent working relationship with the WSCC staff and administration, the Governance Council, and the Ministers' offices. These collaborative relationships positively contributed to working through the issues that present themselves when working with injured workers.

I greatly value the opportunity to have assisted this Office's clients with their WSCC claims. I will continue to work as hard as I can to assist injured workers and their family members in their efforts to obtain fair and equitable treatment.

Debora Simpson
Workers' Advisor

WAO Activity Statistics

Total Contacts – 4,594

Contact with this office is made either in-person, by telephone, email, fax, or letter. Approximately 46% of the clients who contact this office live in the NWT or Nunavut. The remainder have either relocated or returned to southern Canada, Europe, and Asia.

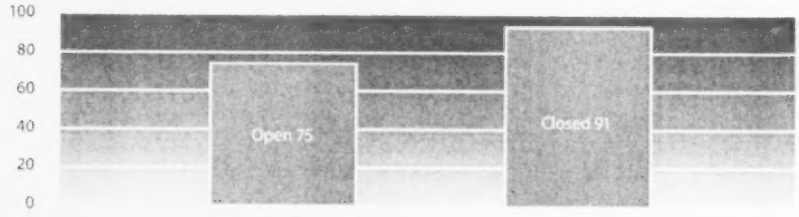
During 2009, the WAO had contact with numerous individuals and organizations. The majority of contacts were with clients or WSCC staff regarding claim issues. Additionally, the WAO had contact with workers' family members, labour groups, employers, healthcare providers, the media, the Ministers responsible, and other stakeholder groups. At the end of December 2009, there were 46 active cases.

Issues Addressed

Each client file addresses one or more of the following issues:

- General assistance with file
- Acceptance of claim
- Change in disability percentage (PMI)
- Continuation of benefits
- Benefits advance
- Increase in amount of benefits
- Lump sum payment of pension
- Medical treatment requested by worker
- PMI award
- Vocational rehabilitation program

WAO Caseload in Nunavut and the Northwest Territories



Appeals

During 2009, the WAO represented 15 clients at the Review Committee level and four clients at the Appeals Tribunal.

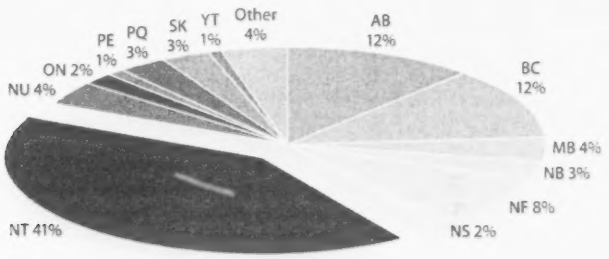
Client Base

The following information is reflective of WAO clients in 2009.

Place of Residence

Many WAO clients reside outside of the NWT and Nunavut. The graph below shows a breakdown of WAO clients' place of residence.

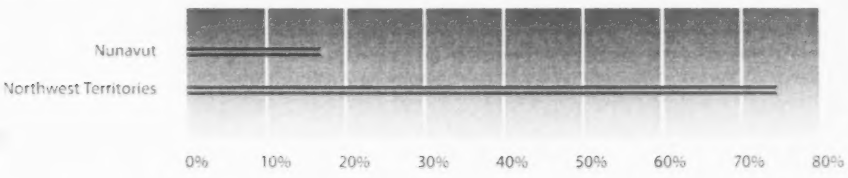
NWT & Nunavut WAO Clients' Place of Residence



Place of Injury

The graph below shows the territory of injury and the percentage of injury in each territory.

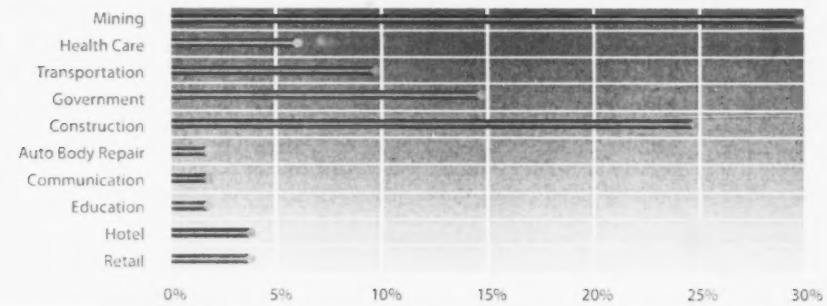
Place of Injury



Employment Sector

The graph below shows the percentage of WAO clients from each employment sector.

Percentage of WAO Clients from each Employment Sector



Trends in Client Base

- The percentage of clients (injured workers) who are employees in the mining and construction sectors has increased from previous years.
- The most common issue for which clients seek assistance from the WAO is "assistance with file." Generally, this group of clients requires assistance to file a request for review or appeal, or they need help understanding the process.
- The total number of contacts with clients increased by 21% over last year.
- As 50% of WAO clients live outside the North, the majority of communication with these clients is done by email and telephone.
- Following the adoption of the new Pain Disorder legislation, more clients are coming forward to inquire about Chronic Pain (Policy 3.10 – Pain Disorders).
- 79% of the clients who come through this office were injured in the NWT and 21% in Nunavut.
- The majority of the cases dealt with by the Deputy Workers' Advisor requested assistance in Inuktitut.
- Files are closed for the following reasons:
  - Appeals Tribunal decision
  - Review Committee decision
  - Claim accepted
  - Lump sum granted
  - PMI reviewed
  - Rehabilitation program provided
  - Worker request fulfilled
  - WAO declined
  - File transferred to other representative
  - Lost contact with worker
  - Worker received chronic pain award

Looking Forward

The Workers' Advisor Office looks forward to 2010 with great anticipation. Upcoming policy and legislative amendments, collaborative Governance Council processes, and continued cooperation with the Deputy Workers' Advisor in Nunavut to better serve the residents of that territory are all positive indicators. As an executive member of the Canadian Association of Worker Advisors and Advocates (CAWAA), the Workers' Advisor Office participates in discussions and activities that impact all injured workers in Canada. I look forward to representing individuals who are impacted by a workplace injury by making representations to the Governance Council, the Ministers responsible, and the Legislative Assemblies.

Contact Us

Write:
2nd Floor Nunasi Building
Suite 201 - 5109 48th Street
Yellowknife, NT X1A 1N5

Email:
info@waonorth.ca

Fax:
(867) 873-4349

Call:
Yellowknife, NT
Phone: (867) 873-4345
Fax: (867) 873-4349
Toll-free: (877) 816-0166

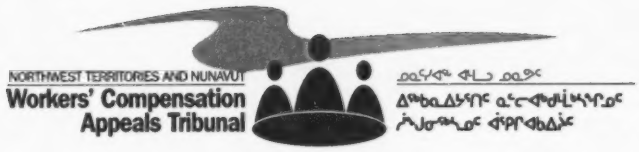
Nunavut
Phone: (867) 979-5303
Toll free: 1-866-727-3830

Web:
www.waonorth.ca

WORKERS' COMPENSATION APPEALS TRIBUNAL | 2009 ANNUAL REPORT

NORTHWEST TERRITORIES AND NUNAVUT
Workers' Compensation Appeals Tribunal

ᓄᓇᕗᑦ ᑭᒪᔪᓂ ᓄᓇᕗᒻᒥ
ᐃᓕᓴᕐᓂᐊᕐᓂᖅ ᓇᓗᓇᐃᖅᑎᑦᓯᔪᖅᑐᓂᒃ
ᓴᖅᔭᓕᕆᓂᒃ ᑐᑭᑭᓯᐅᔪᓐᓇᖅ



Suite 1002
10th Floor Precambrian Building
4920 – 52nd Street
Yellowknife, NT X1A 3T1
Phone: 867.669.4420
Toll Free: 888.777.8167
Fax: 867.766.4226

February 26, 2010

The Honourable Robert C. McLeod,
NWT Minister Responsible for the WSCC

The Honourable Tagak Curley,
NU Minister Responsible for the WSCC

Dear Honourable Ministers:

I am pleased to present our 2009 Annual Report in accordance with the provisions of the *Workers' Compensation Act(s)*. This report covers the 2009 calendar year.

Sincerely,

Colin Baile
Chairperson

2009 Annual Report

Introduction

The Northwest Territories & Nunavut Workers' Compensation Appeals Tribunal (the Tribunal) hears appeals of the Workers' Safety & Compensation Commission's Review Committee. The Tribunal also determines whether a person is immune from action under the *Acts*.

The Tribunal is separate from the Commission and ensures an independent and impartial review of Review Committee decisions.

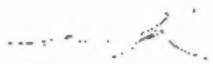
The Minister(s) responsible for the Workers' Safety & Compensation Commission appoints the Tribunal Members.

Message from the Chair

I am pleased to present the annual report of the Appeals Tribunal for 2009.

This was the first full year of the Appeals Tribunal operating under the new *Workers' Compensation Act(s)* that came into force in April 2008. The Tribunal continued to develop its rules and procedures with the aim of providing independent, fair, and timely hearing of appeals. The majority of this work was completed and we await the finalization of our Regulations in order to implement the new procedures.

I wish to thank the Tribunal Members and Staff for their continuing dedication to providing exceptional adjudication of workers' compensation matters.



Colin Baile
Chairperson

Tribunal Members

Members appointed as of January 1, 2009

Colin Baile
Chairperson
(Yellowknife)

Susan Cooper
Vice Chair (Iqaluit)

Louis Sebert
Member (Fort Smith)

Cayley Thomas
Member (Yellowknife)

Karen Snowshoe
Member (Inuvik)

Donald Kindt
Member (Yellowknife)

Maria Jobse
Registrar/General Manager
(Yellowknife)

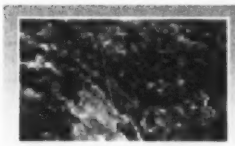
Professional Development

The Tribunal Members met in December 2009 for a two-day decision-writing course facilitated by the Foundation of Administration Justice from Alberta. This training took place with members of the NWT Human Rights Adjudication Panel. The combined training session afforded members of both tribunals the opportunity to discuss administrative law best practices, and benefit from the experience of others.

Tribunal Members also attended other professional development events such as the Canadian Council of Administrative Tribunals annual conference, and specific training workshops on topics like interpreting legislation and privacy issues for decision makers.

APPEALS TRIBUNAL. n.

1. A tribunal established under a statute to hear appeals from administrative decisions or from decisions of first level tribunals.



A key part of maintaining a professional and independent Tribunal is providing professional development opportunities to Tribunal Members.

Statistics

Appeals	
Appeals Received	13
Request for Rehearing	2
Total Received	15

Issues Appealed	
Claims	8
Pension	6
Revenue/Employer	2
	16

Type of Hearing	
In-person	4
Video-conference	2
Telephone	6
Documentary	6
Total Hearings	18

Decisions Issued/Outcome	
Reversed	8
Upheld	12
Varied	1
Total	21

Type of Appellant	
Worker	13
Employer	2
Total	15

Average Days from Filing to Decision
298 days

Appeals by Territory	
NWT	10
NU	3
Judicial Review of Decisions:	0

Outstanding Appeals at Year End
12 appeals (decisions pending - 5)

New Legislation

The new *Workers' Compensation Act* that came into force April 1st, 2008, was the catalyst for several changes at the Appeals Tribunal.

For the first time, a full-time Chairperson was appointed to the Tribunal.

The *Act* provided for appeals to be heard by single adjudicators rather than a panel of three. These changes were intended to reduce the waiting time for appeals to be heard. Member appointments are now merit-based with the requirement of legal or prior Administrative Tribunal experience.

The new *Act* also requests, for the first time, the Tribunal to prepare an annual report.

One of the most significant changes for the Tribunal is the hearing of section 63 applications. Any party to an action may apply to the Appeals Tribunal for a determination of whether a person is immune from action under the *Act*. Previously, this task fell to the Commission's Governance Council.

Administrative Activities

- All Tribunal Members took part in a training session in December 2009.
- The Chairperson attended two training sessions offered by the Foundation of Administrative Justice in Edmonton.
- A Member attended the Canadian Council of Administrative Tribunals Conference held in Halifax.
- A Member attended an administrative law conference in Ottawa.
- The Tribunal continues to share a collaborative and open relationship with the Commission's President.